



March 26, 2026

Environmental Policy

Sustainability Mission Statement

Motorcar Parts of America, Inc. (“MPA”) has maintained a longstanding commitment to sustainability since its founding in 1968. Environmentally responsible practices are embedded in our core business model through advanced remanufacturing processes that restore automotive components—including starters, alternators, calipers, and brake boosters—to like-new performance standards while significantly reducing environmental impact.

MPA’s remanufacturing model:

- Reuses and reconditions core units that would otherwise be discarded
- Preserves embedded energy and raw materials
- Supports circular economy principles by extending product life cycles

This approach results in substantial reductions in energy consumption, raw material use, and greenhouse gas emissions compared to traditional manufacturing.

Climate Impact and Environmental Contribution

MPA recognizes remanufacturing as a key contributor to climate change mitigation. Compared to new production:

- Remanufactured products can save up to **95% of energy consumption**
- Require significantly fewer raw materials
- Reduce greenhouse gas emissions and overall environmental footprint

MPA is committed to leveraging these advantages to support global climate goals and reduce environmental impact across its value chain.

Environmental Commitment Statement (ISO 14001 Aligned)

MPA is committed to:

- **Protecting the environment**, including pollution prevention and sustainable resource use
- **Mitigating climate change impacts**, including reducing greenhouse gas emissions
- **Complying with all applicable environmental laws and regulations**
- **Continual improvement** of environmental performance through measurable objectives and targets
- **Integrating environmental considerations into business strategy and decision-making**

This policy provides the framework for establishing environmental objectives and is communicated across all levels of the organization and relevant stakeholders.

Environmental Management Approach

MPA's environmental management system incorporates the following core, formally declared focus areas, aligned with ISO 14001, CDP, and EcoVadis requirements:

- 1. Sustainable Resource Management - Recycling and Reusing:** MPA is committed to the efficient and sustainable use of natural resources:
 - Implementing reuse, remanufacturing, and recycling processes
 - Tracking material consumption and setting reduction targets
 - Prioritizing recycled and responsibly sourced materials
 - Supporting circular economic principles
 - Reducing resource intensity across operations

2. Energy Management and Renewable Energy: MPA is committed to improving energy efficiency and increasing renewable energy use:

- Implementing energy-efficient technologies and operational practices
- Evaluating and adopting renewable energy sources where feasible
- Reducing reliance on fossil fuels
- Tracking and reporting energy consumption and Scope 2 emissions
- Supporting long-term decarbonization strategies

3. Waste Reduction: MPA is committed to minimizing waste:

- Recycling materials across operations
- Reducing hazardous waste
- Promoting reuse and environmentally responsible disposal practices

4. Water Consumption: MPA is committed to responsible water use:

- Monitoring water consumption
- Recycling significant volumes of water annually
- Identifying opportunities to reduce water usage

5. Sustainable Packaging: MPA promotes environmentally responsible packaging:

- Recycling large volumes of packaging materials (e.g., cardboard)
- Reducing packaging waste and material intensity

6. Environmental Awareness: MPA strives to create environmental awareness among its employees, stakeholders, and customers, by educating them about the environmental sustainability of the remanufacturing process and encourage them to adopt environmentally friendly practices.

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7. Greenhouse Gas (GHG) Emissions and Climate Strategy

MPA:

- Established baseline and maintains annual GHG emissions reporting
- Tracks Scope 1, Scope 2 and Scope 3 emissions across global operations
- Reports on emissions performance in line with recognized disclosure frameworks

8. Air Quality:

MPA is committed to minimizing air emissions and protecting air quality:

- Monitoring emissions from manufacturing processes
- Implementing emission control technologies and maintenance programs
- Reducing pollutants contributing to smog, acid rain, and climate change
- Complying with and striving to exceed air quality regulations

9. Responsible Chemical Management

MPA ensures safe and environmentally responsible chemical management:

- Minimizing hazardous substance use and promoting safer alternatives
- Ensuring proper handling, storage, transport, and disposal
- Maintaining Safety Data Sheets (SDS) and employee training
- Preventing spills, leaks, and environmental contamination
- Monitoring and reducing hazardous material usage

In successfully implementing our environmental policy, we have identified key internal and external stakeholders to help communicate the corporate goals and expectations to make our policy more effective. Annual review and updates of our ESG policies will provide interval updates in broadening our scope and corporate sustainability strategies.

Conclusion

MPA's environmental policy reflects its commitment to sustainability, regulatory compliance, and continuous improvement. Through its remanufacturing model and structured environmental management approach, MPA reduces environmental impact while supporting long-term business resilience and global sustainability objectives.